CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 10765	**Date: May 11, 2021**
	Change Request 12206

SUBJECT: Medicare Fee-for-Service (FFS) Coverage of Costs for Kidney Acquisitions in Maryland Waiver (MW) Hospitals for Medicare Advantage (MA) Beneficiaries

I. SUMMARY OF CHANGES: The purpose of this change request is to implement a mechanism for payment to allow Medicare FFS coverage of kidney acquisition costs for Medicare Advantage (MA) beneficiaries provided by Maryland Waiver hospitals.

EFFECTIVE DATE: January 1, 2021 - For claims received on or after October 1, 2021.
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 4, 2021

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 10765	Date: May 11, 2021	Change Request: 12206

SUBJECT: Medicare Fee-for-Service (FFS) Coverage of Costs for Kidney Acquisitions in Maryland Waiver (MW) Hospitals for Medicare Advantage (MA) Beneficiaries

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I. GENERAL INFORMATION

A. Background: In 2019, the State of Maryland and the Innovation Center launched the Maryland Total Cost of Care (TCOC) Model to continue the statewide care transformation initiated under the previous Maryland All-Payer Model. Under the TCOC Model, Maryland continues to set hospital global budgets on an all-payer basis. Hospitals have the authority to increase or decrease charges to all payers for a given service within prescribed corridors to achieve their approved global budget amount. Hospitals may adjust their rates 5 percent above or below the approved rates without seeking permission from the Health Services Cost Review Commission (HSCRC), and can request permission from the HSCRC to make rate adjustments of up to 10 percent above or below their approved rates. The hospitals are required to charge an identical amount to commercial payers and to public payers, including Medicare; however as a stipulation of the public payer differential public payers pay 7.7 percent less than other payers.

Under the Hospital Payment Program, hospital payments are made in real time for hospital services based on the global budgets set by the HSCRC. Instead of determining the payment amount of the claim through Inpatient Prospective Payment System (IPPS) or Outpatient Prospective Payment System (OPPS) payment systems, CMS pays the claim at 92.3 percent of the charge plus adjustments for sequestration. After the calendar year is over, the HSCRC conducts a retrospective reconciliation with the hospital's TCOC and adjusts the hospital's global budget for the following rate year in order to hold the hospital accountable for meeting its global budget and to create a disincentive for exceeding it. Maryland hospitals file cost reports that are generally for information only purposes, and does not result in a cost report settlement.

B. Policy: Effective January 1, 2021, the Calendar Year (CY) 2021 Medicare Parts C & D final rule (85 FR 33796, 33824) specifies that Medicare will now cover kidney acquisition cost for Medicare Advantage beneficiaries. Under Medicare FFS, final payment for kidney acquisition cost will be made to the hospital through the Medicare cost report. Maryland Waiver hospitals currently include kidney acquisition charges along with other solid organ acquisition charges with the applicable organ transplant charges and are paid at 92.3 percent of those charges and not reimbursed through the Medicare cost report. As a result, there is not currently a way to identify charges specific to kidney acquisition from other solid organ for purposes of tracking and payment. To comply with policy requirements, the creation of a new value code is needed to ensure that that kidney acquisition charges are appropriately tracked and paid at 92.3 percent.

The National Uniform Billing Committee (NUBC) created a new Value Code '91'- Charges for Kidney Acquisition, effective October 1, 2021.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12206.1	Medicare contractors shall recognize new value code '91' with an associated dollar amount to report kidney acquisition charges up to 9 bytes in 9999999.99 format (S9(7)V99): 91- Charges for Kidney Acquisition.	X				X				CMS, HIGLAS, IDR, PS&R
12206.2	Medicare contractors shall set up value code '91' effective for claims received on or after October 1, 2021. Note: Refer to Attachment A.	X								
12206.3	Medicare contractors shall recognize new payer-only value code 'QK' with an associated dollar amount to report the calculated Maryland Waiver kidney acquisition payment amount up to 9 bytes in 9999999.99 format (S9(7)V99): QK- Maryland Waiver Kidney Acquisition Payment	X				X				CMS, HIGLAS, IDR, MedPar, NCH, PS&R
12206.4	Medicare contractors shall set up value code 'QK' as a payer-only value code, effective for claims received on or after March 1, 2007. Note: Refer to Attachment A. Setting up the value code 'QK" as payer-only indicates the value code shall not be sent to the Benefits Coordination and Recovery Center (BCRC).	X								
12206.5	The Medicare contractor shall create a reason code to assign on claims or adjustments not meeting all of the following criteria when value code '91' is present: • Covered Type of Bill (TOB) is equal to 11X (excluding 110), • Condition Code 04 is present, • Provider is Maryland Waiver, • Claim admission date is on or after January 1, 2021, • Revenue Code 081X is present (excluding 0815 and 0819). • Value Code '91' value amount is greater than zero.					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12206.5.1	The Medicare contractor shall set the reason code to Return To Provider (RTP).	X								
12206.6	The Medicare contractor shall create a reason code to assign when value code '91' is reported on the claim or adjustment, and the associated value code amount is not greater than zero, or the value code amount is greater than the total covered charges reported with revenue code 081X (excluding 0815 and 0819). This editing shall include instances where the submitted charges for revenue code 081X (excluding 0815 and 0819) are subsequently non-covered through the course of claims processing.					X				
12206.6.1	The Medicare Contractor shall set the reason code to RTP.	X								
12206.7	The Medicare contractor shall calculate payment for kidney acquisition charges reported on inpatient Maryland Waiver shadow claims for Medicare Advantage beneficiaries by multiplying the dollar amount reported with value code '91' by the Maryland Waiver payment percentage (currently 92.3%). This payment amount shall also be subject to the payment reduction percentage (sequestration) when applicable.					X				
12206.7.1	The Medicare contractor shall output and display the calculated payment amount for kidney acquisition charges utilizing payer-only value code 'QK'. QK- Maryland Waiver Kidney Acquisition Payment					X				
12206.7.2	The Medicare contractor shall reset the Health Maintenance Organization (HMO) pay code to "0" (zero), and set the expense subject to deductible to zero on Maryland Waiver inpatient claims reporting value code '91'.					X				
12206.7.3	The Medicare contractor shall populate only the calculated payment for kidney acquisition charges in the total claim level provider reimbursement, in addition to any applicable Indirect Medical Education (IME) payment.					X				
12206.8	The Medicare contractors shall ensure the value code 'QK' amount flows to the Provider Statistical and	X				X				PS&R

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	Reimbursement (PS&R) Report. Note: This requirement applies to the A/B MACs Part A who process Maryland Hospital Claims only.									
12206.9	The Medicare contractor shall send the dollar amount associated with value code 'QK' on the Fiscal Intermediary Standard System (FISS) Healthcare Integrated General Ledger Accounting System (HIGLAS) 837 (AMT-HIGLAS INVOICE AMOUNT) Field using new HIGLAS Invoice Qualifier 'PK' for the Periodic Interim Payment (PIP) Kidney Acquisition Payment add on amount. PK- PIP Kidney Acquisition					X				HIGLAS
12206.9.1	When there are more than one PIP add-on amounts the Medicare contractor shall send the dollar add-on amounts associated with value codes on the FISS HIGLAS 837 (AMT-HIGLAS INVOICE AMOUNT) field using existing HIGLAS Invoice Qualifier 'PM'. PM- All Others					X				HIGLAS
12206.9.2	HIGLAS shall define new Sub Invoice Type 'PIPKidneyAcquisition' for both Original and Adjustment claims for the new HIGLAS Invoice Qualifier 'PK'.									HIGLAS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
12206.10	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or	X				

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
12206.1, 12206.3	Business requirements referenced are dependent on the implementation of CR 11979 - ***Global Solution To Code Sets Implemented In The Fiscal Intermediary Shared System (FISS) Established By The National Uniform Billing Committee (NUBC).***

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Adam Fillhaber, adam.fillhaber@cms.hhs.gov , Yvette Rivas, yvette.rivas@cms.hhs.gov , Fred Rooke, fred.rooke@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 1

Attachment A

Record Type	Code	Description	Effective Date	Termination date	Date Type Field	Payer Only Code	CWF
V	91	Charges for Kidney Acquisition	10/01/21		R	N	Y
V	QK	Maryland Waiver Kidney Acquisition Payment	03/01/07		R	Y	Y